

**INDIANA DEVELOPMENT FINANCE AUTHORITY**  
**AGRICULTURAL DEVELOPMENT LOAN PROGRAM**

**APPLICATION**

FOR IDFA USE ONLY

\_\_\_\_\_  
\* Please print or type all information on  
this form and complete all questions. Use  
additional sheets if necessary.

\_\_\_\_\_  
IDFA Project No. \_\_\_\_\_  
Application Rec'd \_\_\_\_\_  
\$ \_\_\_\_\_ Application fee received.

In general, **applications should be in the Authority' office by the third Tuesday of the month** in order to be considered at the following month's meeting. If this deadline cannot be met, please contact the Authority to see if special arrangements can be made.

**Following is a list of items to be submitted with this application:**

1. Completed application, which should be **typed or printed in black ink**. If it is illegible, it may be returned or delayed.
2. A background letter containing the following information about the Beginning Farmer:
  - Experience and/or education in farming
  - purpose of financing.
1. A financial statement taken within 30 days prior to submission of the application, witnessed by a bank officer and signed by all applicants. The statement must be **typed or printed legibly**. If not, the application could be delayed or tabled.

The statement (preferably on the enclosed financial statement form) must be signed and dated by the Beginning Farmer and spouse/finance (if any) as well as by a bank officer. When listing machinery, a value for each item must be shown, including the age. The value of all livestock (weights where applicable) should be included as well as bushels of grain and the price per bushel.

2. A fully completed Terms Memorandum setting forth the terms of the borrowing and repayment terms agreed to by all parties.

**If you have any questions, please contact the Authority office at (317) 233-4332.**

(Note: Approval of this application does not constitute final approval. If prior to closing, it is discovered that the Project, in whole or in part, is ineligible for tax-exempt financing, or if the Project should become ineligible, the Authority may refuse to complete processing or reduce the issue amount.)

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**Part I**

**TO BE COMPLETED BY BORROWER**

1. Name: \_\_\_\_\_ Spouse: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Social Security Number: \_\_\_\_\_
2. Description of anticipated use of loan proceeds ("Project"):
- \_\_\_\_\_ Purchase of Land:
- Total Acres: \_\_\_\_\_  
Tillable Acres: \_\_\_\_\_  
Approximate Value: \$ \_\_\_\_\_  
Does it contain Dwellings? YES \_\_\_\_\_ NO \_\_\_\_\_  
    IF YES, estimated Value: \$ \_\_\_\_\_  
Does it contain Other Structures? YES \_\_\_\_\_ NO \_\_\_\_\_  
    IF YES, please list:
- |       |                      |
|-------|----------------------|
| _____ | Est. Value: \$ _____ |
| _____ | Est. Value: \$ _____ |
| _____ | Est. Value: \$ _____ |
- \_\_\_\_\_ Purchase of Machinery (attach additional sheets, as necessary):
- |             |                      |
|-------------|----------------------|
| New: _____  | Est. Value: \$ _____ |
| New: _____  | Est. Value: \$ _____ |
| Used: _____ | Est. Value: \$ _____ |
| Used: _____ | Est. Value: \$ _____ |
- \_\_\_\_\_ Purchase of Livestock (what, how many and estimated value) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_ Make improvements of \_\_\_\_\_  
Owner of property when improvements made: \_\_\_\_\_
3. Total Amount of Loan Request: \$ \_\_\_\_\_

4. Project Down Payment (if any):

- (a) Down payment already paid and date: \$ \_\_\_\_\_ on \_\_\_\_\_  
(b) Borrower's total equity in Project: \$ \_\_\_\_\_

5. Location of Project: County \_\_\_\_\_  
Address (or description of location if no address) of real property (*example*: 80 acres on Northeast corner of intersection of 500 North and 200 West) \_\_\_\_\_  
\_\_\_\_\_

6. (a) Seller of Project (if any): \_\_\_\_\_  
Seller's Address: \_\_\_\_\_  
Relationship to Borrower, (if any): \_\_\_\_\_  
If Seller is grandparent, parent, child or sibling, please complete "RELATED PERSON CERTIFICATE" attached hereto.

- (b) Contractor for Project, (if any): \_\_\_\_\_  
Contractor's address: \_\_\_\_\_  
Relationship to Borrower, (if any): \_\_\_\_\_

- (c) Please explain if you have begun to acquire or construct any part of the "Project" for which you are requesting a loan; have entered into any contract or purchase agreement (installment or otherwise) in connection with the construction or acquisition of the "Project," or have begun off-site fabrication or acquisition of any portion of the "Project." \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Note: Down payments made more than 60 days prior to approval of the application will not be eligible for bond financing.**

7. Length of time Borrower has been actively engaged in business of farming: \_\_\_\_\_  
In what role? \_\_\_\_\_

8. Have you, your spouse, your minor children or any related person received tax-exempt financing of any kind in any state? YES \_\_\_\_ NO \_\_\_\_ If YES, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. (a) Has Borrower, Borrower's spouse or minor children ever owned any direct or indirect interest in farm land? YES \_\_\_\_ NO \_\_\_\_.

**Note: The following are examples of indirect land ownership:**

- 1) ownership of a beneficial interest in a trust which in turn holds land;
- 2) ownership of shares in a family farm corporation which owns land;
- 3) a remainder interest in land which is subject to a life estate in another person.

- (b) Describe each parcel of land presently or previously owned by county location, size, time period owned, and maximum fair market value while you owned it (if the ownership is indirect, also describe the means of ownership and the total amount owned (e.g., "I have a one-fourth beneficial interest in a trust; the trust holds a total of 200 acres"): \_\_\_\_\_  
\_\_\_\_\_
- (c) Has Borrower, Borrower's spouse or Borrower's minor children done any of the following?
- |    |   |                    |
|----|---|--------------------|
| 1) | performed physical work on such land?   | _____ YES _____ NO |
| 2) | participated in management decisions about operations on such land?   | _____ YES _____ NO |
| 3) | provided regular advice and consultation on the business operations on such land?                           | _____ YES _____ NO |
| 4) | regularly inspected production activities on such land?   | _____ YES _____ NO |
| 5) | directly or indirectly advanced funds or paid a substantial portion of the operating expenses on such land? | _____ YES _____ NO |
| 6) | lived on such land?   | _____ YES _____ NO |
- (d) Please describe the degree of your involvement in each activity, the frequency of your involvement and the length of time over which your involvement occurred. **(Use additional sheets if necessary):** \_\_\_\_\_  
\_\_\_\_\_
- (e) Have you disposed of any of these parcels of land? \_\_\_\_\_ YES \_\_\_\_\_ NO  
IF YES, identify the parcel(s) and the approximate date disposed: \_\_\_\_\_  
\_\_\_\_\_
- (f) Did you, your spouse or your minor children recognize income, for federal income tax purposes, as the result of cancellation of indebtedness with respect to any of the parcels disposed? \_\_\_\_\_ YES \_\_\_\_\_ NO  
IF YES, identify the parcel(s) with respect to which income was recognized: \_\_\_\_\_  
\_\_\_\_\_

10. Management and Labor of Project will be provided by: \_\_\_\_\_  
\_\_\_\_\_

- (a) Will any of the labor be performed by or management provided by individuals or entities other than the Applicants? YES \_\_\_\_ NO \_\_\_\_\_. If YES, please describe:  
\_\_\_\_\_  
\_\_\_\_\_
- (b) Will any portion of the Project be used in connection with any new or existing farm partnership, farm corporation, limited liability company, or other formal or informal joint farming venture, including contract feeding arrangement?  
\_\_\_\_ YES \_\_\_\_ NO IF YES, please describe: \_\_\_\_\_  
\_\_\_\_\_
- (c) Will any of the applicants work off the farm? \_\_\_\_ YES \_\_\_\_ NO  
IF YES, amount of non-farm income anticipated? \$ \_\_\_\_\_  
Where will he/she be employed? \_\_\_\_\_  
Explain any other related details to non-farm income: \_\_\_\_\_  
\_\_\_\_\_
11. Does the Borrower currently rent, lease, sharecrop or otherwise use the Project to be financed? If so, describe the terms of usage: \_\_\_\_\_  
\_\_\_\_\_.
12. If Project includes equipment, livestock or structures, will such property be put to its first use pursuant to your acquisition? YES \_\_\_\_ NO \_\_\_\_.
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## Part II

### TO BE COMPLETED BY LENDER

PLEASE NOTE: Bond Counsel Services do not include drafting of Mortgage and Security documents. Unless separate arrangements are made with Bond Counsel, Lender is responsible for preparing its own mortgage and any other document desired to secure its collateral.

1. Current market value/sales price of Project to be financed: \$\_\_\_\_\_.
2. Value of dwelling, if any, and other buildings related to residence (e.g., garage located on real estate to be purchased etc.): \_\_\_\_\_  
\_\_\_\_\_.
3. Lender fees, points or other costs charged to Borrower. Please describe.  
\_\_\_\_\_  
\_\_\_\_\_

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Part III

CERTIFICATIONS OF BORROWER

In submitting this Application, I, the undersigned Borrower, have read the following statements and hereby certify and agree that:

1. I am a permanent resident of the State of Indiana.
2. The Project will be located within the State of Indiana.
3. I have sufficient education, training or experience in the type of farming for which this Loan is requested. If unsure, please explain.
4. The Project shall be used only for farming by myself or a Related Party (as described in 10 below). If unsure, please explain.
5. Neither I nor any Related Person have previously received tax exempt financing from the Authority or any other governmental body, except as described in this application.
6. None of the proceeds of the loan shall be used for the refinancing or restructuring of any existing indebtedness in whole or in part, working capital, operating purposes, for inventory or supplies or a dwelling or land or structure incidental thereto. If unsure, please explain.
7. I agree that the Loan may not be assumed by another person without the prior approval of the Authority and then only if the purchaser of the property is an Eligible Borrower. I presently plan to retain the property financed by the Loan for the term of the Loan; however, I understand that equipment and other depreciable property may be exchanged or traded in on similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the Lender without prior approval of the Authority. I also understand the benefits of the Loan, made at the tax-free rate from the proceeds of an IDFA bond, must be retained by the Borrower, and no person to whom property is traded or otherwise transferred may obtain the benefits of the IDFA loan.
8. I understand that any real estate or improvements thereto may not be sold or otherwise conveyed by me without the express written consent of the Authority for a period of ten (10) years from the date of the Loan.
9. Neither I nor any Related Person (as described below) has commenced any acquisition or construction of any part of the Project to be financed with the proceeds of the Loan, and neither I nor any Related Person has entered into any contract or purchase agreement,

installment or otherwise, in connection with the construction of the Project or any part thereof or off-site fabrication or acquisition of any portion of the Project. If the foregoing is not entirely the case, please set forth for what assets and what amounts and on what dates such has taken place. "Related Person" as defined in Section 147(a)(2) of the Internal Revenue Code includes: a father, mother, brother, sister, grandparent, grandchild, or spouse, or a partnership, joint venture or corporation in which the applicant together with any of the foregoing relatives has more than a 50% interest.

10. The Borrower is not acquiring the Project directly or indirectly from a Related Person, except as described in this application.
11. The information provided in Part I hereof is true, complete and accurate in every respect to the best of Borrower's knowledge and belief. To the best of Borrower's knowledge and belief, Borrower is not related to any member or officer of the Authority within the sixth degree of consanguinity or affinity; except as follows: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Borrower

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#### CERTIFICATIONS OF LENDER

The undersigned Lender has read the following statements and hereby certifies that:

1. The Borrower is an "Eligible Borrower" as defined in the Program Guide for the Authority's Agricultural Development Loan Program Guide (the "Program Guide").
2. The Borrower has documented to the satisfaction of the Lender that he or she has sufficient education, training and experience for the anticipated farming operation.
3. The Borrower is not acquiring the Project directly or indirectly from a Related Person, except as described in this application. "Related Person" as defined in Section 147(a)(2) of the Internal Revenue Code includes, among others: a father, mother, brother, sister, grandparent, grandchild or spouse, or a partnership, joint venture or corporation in which the applicant together with any of the foregoing relatives have more than a 50% interest.
4. All of the proceeds of the Loan except for costs of issuance will be used for the acquisition, construction, reconstruction, equipping and installation of land or property of a character subject to the allowance for depreciation under Section 167 of the Internal Revenue Code.

5. To the best of the Lender's knowledge, each of the certifications of the Borrower set forth in this Application is true and correct.
6. The proceeds of the Loan will not be used to provide working capital or finance inventory, supplies or other operating expenses for the Borrower or Related Person, and none of the proceeds of the Loan will be used to refinance or restructure any portion of existing indebtedness.
7. The Lender requests the Authority to issue and sell its Bond to the Lender for the purpose of financing the Project.
8. The Application has been received and is being processed in accordance with one governmental program established by the Authority and complies or will comply with the requirements of the Act and the Authority's Program Guide.
9. The Lender has not financed or advanced moneys to the Borrower for expenditures made prior to a date more than sixty (60) days prior to the adoption of an Inducement Resolution for the purpose of financing the Project to the extent the Borrower would seek to be reimbursed from Bond proceeds for such expenditures.
10. To the best of Lender's knowledge and belief, no member, officer of the Authority or related person, to the sixth degree of consanguinity or affinity, is an officer, director, employee or shareholder of the Lender; except as follows: \_\_\_\_\_  
\_\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Participating Lender

By: \_\_\_\_\_  
Signature of Official of Lending Institution

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_



**TO BE COMPLETED ONLY IF SELLER IS GRANDPARENT, PARENT, SIBLING OR CHILD**

**RELATED PERSON CERTIFICATE**

The undersigned Seller(s) owns the following Agricultural Land, Agricultural Improvements, and/or Depreciable Agricultural Property (the "Project"): \_\_\_\_\_

which is being sold to \_\_\_\_\_ (the "Beginning Farmer") and is being financed with proceeds from an Agricultural Development Revenue Bond to be issued by the Indiana Development Finance Authority.

The Seller hereby:

1. Provides a copy of the appraisal that confirms that the fair market value of the Project is: \$\_\_\_\_\_.
2. Certifies that the Project is being sold to the Beginning Farmer for its fair market value.
3. Certifies that subsequent to such sale:
  - a. If the Project is being operated by a formal or informal partnership or joint venture, the Seller will have no more than a ten percent (10%) interest in such operation;
  - b. If the Project is being operated by a corporation, the Seller has no more than a ten percent (10%) stock or ownership interest in such corporation;
  - c. If the Project is being operated by a trust, the Seller has no more than a ten percent (10%) beneficial interest of such trust;
  - d. The Seller will not be a user of more than ten percent (10%) of the Project; and
  - e. The Seller will not have any other direct or indirect ownership or use of the Project.

**IN WITNESS WHEREOF**, we have hereunto set our official signatures as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**SELLER**

By: \_\_\_\_\_  
(Signature of Seller)

\_\_\_\_\_  
(Print or Type Seller's Name)

By: \_\_\_\_\_  
(Signature of Spouse/Finance)

\_\_\_\_\_  
(Print or Type Spouse/Finance's Name)